



State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

Inspection Report

| Permit Number: | C0070004 |
|------------------|-----------------------------|
| Inspection Type: | PARTIAL |
| Inspection Date: | Tuesday, September 15, 2009 |
| Start Date/Time: | 9/15/2009 12:00:00 PM |
| End Date/Time: | 9/15/2009 2:00:00 PM |
| Last Inspection: | Wednesday, August 26, 2009 |

Inspector: Steve Demczak, Environmental Scientist III

Weather: Cloudy, Low 70's

InspectionID Report Number: 2142

Types of Operations

Accepted by: jhelfric

9/30/2009

Permitee: CASTLE GATE HOLDING CO
Operator: CASTLE GATE HOLDING CO

Site: CASTLE GATE MINE

Address: PO BOX 30, HELPER UT 84526-0030

County: CARBON

Permit Type: PERMANENT COAL PROGRAM

Permit Status: RECLAIMED

Current Acreages

| Total Permitted | 7,619.00 |
|------------------------|----------|
| Total Disturbed | 62.42 |
| Phase I | 62.42 |
| Phase II | 58.10 |
| Phase III | |

Mineral Ownership

| | | • | •• |
|---|---------|---|------------------|
| ✓ | Federal | | ✓ Underground |
| ✓ | State | | ✓ Surface |
| ✓ | County | | ✓ Loadout |
| ✓ | Fee | | Processing |
| | Other | | Reprocessing |

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

No violatios were issued.

The Permittee notified the Division that the required fourth quarter of 2008 surface water monitoring information for the Castle Gate Mine was in the DOGM EDI pipeline and was acceptable for uploading. All sites were monitored at the end of March and were reported as "no flow". The Permittee continues to meet the Special Condition included as Attachment "A" of the current State permit. There are no other "special" permit conditions.

The field conditions in Sowbelly and Hardscrabble Canyons remain virtually unchanged, as does the condition of the reclaimed area for Adit #1.

Inspector's Signature:

Steve Demczak, Environmental Scientist III

Date

Tuesday, September 22, 2009

Inspector ID Number: 39

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
- b. For PARTIAL inspections check only the elements evaluated.
- 2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
- 3. Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.
- 4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

| | | Evaluated | Not Applicable | Comment | Enforcement |
|------|---|-----------|----------------|----------|-------------|
| 1. | Permits, Change, Transfer, Renewal, Sale | | | | |
| 2. | Signs and Markers | ✓ | | V | |
| 3. | Topsoil | ✓ | | ✓ | |
| 4.a | Hydrologic Balance: Diversions | ✓ | | ✓ | |
| 4.b | Hydrologic Balance: Sediment Ponds and Impoundments | | | | |
| 4.c | Hydrologic Balance: Other Sediment Control Measures | ✓ | | ✓ | |
| 4.d | Hydrologic Balance: Water Monitoring | | | | |
| 4.e | Hydrologic Balance: Effluent Limitations | | | | |
| 5. | Explosives | | | | |
| 6. | Disposal of Excess Spoil, Fills, Benches | | | | |
| 7. | Coal Mine Waste, Refuse Piles, Impoundments | V | | ✓ | |
| 8. | Noncoal Waste | V | | V | |
| 9. | Protection of Fish, Wildlife and Related Environmental Issues | ✓ | | ✓ | |
| 10. | Slides and Other Damage | ✓ | | ✓ | |
| 11. | Contemporaneous Reclamation | | | | |
| 12. | Backfilling And Grading | V | | V | |
| 13. | Revegetation | ✓ | | V | |
| 14. | Subsidence Control | | | | |
| 15. | Cessation of Operations | | | | |
| 16.a | Roads: Construction, Maintenance, Surfacing | | | | |
| 16.t | Roads: Drainage Controls | | | | |
| 17. | Other Transportation Facilities | | | | |
| 18. | Support Facilities, Utility Installations | | | | |
| 19. | AVS Check | | | | |
| 20. | Air Quality Permit | | | | |
| 21. | Bonding and Insurance | | | | |
| 22 | Other | | | | |

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2. Signs and Markers

Identification signs are at the gates to the property.

3. Topsoil

All topsoil was used in reclamation.

4.a Hydrologic Balance: Diversions

The diversions were spot-checked and would function during a storm event.

4.c Hydrologic Balance: Other Sediment Control Measures

The reclaim site is plocked for sediment control.

7. Coal Mine Waste, Refuse Piles, Impoundments

The refuse pile at Goose Island was reclaimed.

8. Noncoal Waste

The site is clear of non-coal waste material.

9. Protection of Fish, Wildlife and Related Environmental Issues

There were signs of deer grazing on the reclaim area.

10. Slides and Other Damage

No slides or damage was noticed during the inspection.

12. Backfilling And Grading

The sites are completely reclaimed. All backfilled material was used.

13. Revegetation